

Office of Asst. Sec. for Housing, HUD

§ 1710.107

may cancel the contract or agreement any time within two years from the date of signing.

Name of Subdivision _____
Name of Developer _____
Date of This Report _____

(d)(1) If the purchaser is entitled to a longer revocation period by operation of State law, that period becomes the Federal revocation period and the Cover Page must reflect the requirements of the longer period, rather than the seven days.

(2)(i) If a deed is not delivered within 180 days of the signing of the contract or agreement of sale or unless certain provisions are included in the contract or agreement, the purchaser is entitled to cancel the contract within two years from the date of signing the contract or agreement.

(ii) The deed must be a warranty deed, or where such a deed is not commonly used, a similar deed legally acceptable in the jurisdiction where the lot is located. The deed must be free and clear of liens and encumbrances.

(iii) The contract provisions are:

(A) A legally sufficient and recordable lot description; and

(B) A provision that the seller will give the purchaser written notification of purchaser's default or breach of contract and the opportunity to have at least 20 days from the receipt of notice to correct the default or breach; and

(C) A provision that, if the purchaser loses rights and interest in the lot because of the purchaser's default or breach of contract after 15% of the purchase price, exclusive of interest, has been paid, the seller shall refund to the purchaser any amount which remains from the payments made after subtracting 15% of the purchase price, exclusive of interest, or the amount of the seller's actual damages, whichever is the greater.

(iv) If a deed is not delivered within 180 days of the signing of the contract or if the necessary provisions are not included in the contract, the following statement shall be used in place of any other recision language:

Under Federal law you may cancel your contract or agreement of sale any time within two years from the date of signing.

(e) At the time of submission, the developer may indicate its intention to

comply with the red printing by an illustration or by a statement to that effect.

(f) The "Date of This Report" shall be the date on which the Secretary allows the Statement of Record to become effective and shall not be entered until the submission has become effective.

(Sec. 1419, Interstate Land Sales Full Disclosure Act, 82 Stat. 590, 598; 15 U.S.C. 1718; sec. 7(d), Dept. of Housing and Urban Development Act, 42 U.S.C. 3535(d))

[45 FR 40489, June 13, 1980]

§ 1710.106 Table of contents.

(a) The second page(s) shall consist of a Table of Contents which lists the headings in the Property Report, the major subheadings, if any, and the page on which they appear. For example, the entry for Title and Land Use would appear as follows:

Title and Land Use # Page #
Method of Sale
Encumbrances, Mortgages and Liens
Recording the Contract and Deed
Payments
Restrictions on the Use of Your Lot
Plat Maps, Zoning, Surveying, Permits and Environment

(b) Use of "You" and "We". At the end of the Table of Contents insert the following remark:

"In this Property Report, the words "you" and "your" refer to the buyer. The words "we", "us" and "our" refer to the developer."

§ 1710.107 Risks of buying land.

(a) The next page shall be headed "Risks of Buying Land" and shall contain the paragraphs listed below. However, paragraph (a)(2) of this section may be omitted if all improvements have been completed or if no improvements are proposed.

(1) The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

(2) Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

(3) Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program